

January 8, 1976

The Uniform Commercial Code recognizes that being a pawnbroker The Code doesn't say that he's akin to a fence, but it talks about being a "buyer in due course". Most of you know what this means. That if in a legitimate, or an apparently legitimate, business enterprise ... you make a purchase in good faith thinking that the one selling it has title that can be passed on to you, and you make the purchase, that goods they've purchased will cut off the rights of a third party. But the Code specifically excludes pawnbrokers. This provision does not apply to pawnbrokers. For those of you who want the citation, it's in Volume 6 of the Statutes, but it's Uniform Commercial Code 1-201(9). It specifically exempts pawnbrokers from the buyer in due course provision.

I have a brief article here which occurred in 1975. This man should know better, but he shows that he also knows that laws on pawnbrokers are not enforced. "A former Omaha policeman, who was arrested in a raid on his Reliable Loan and Jewelry Pawn Shop at 312 North 16th Street, has been indicted by a Federal grand jury on 14 counts of violating the National Fire Arms Act. The raid was made January 17th by agents of the Alcohol, Tobacco and Fire Arms Bureau, U.S. Deputy Marshals and Police." Now if a former police officer opens a pawn shop and becomes a fence, it's because he knows it's a fairly safe operation.

This bill, if it's enacted into law, is not going to hurt any legitimate transaction, if there can be such a thing, between a pawner and the pawnee ... well the pawnbroker and the pawner. Sometimes we have an innocent victim involved in the transaction.

This is what I would like you to recognize also. Being a pawnbroker is recognized by the law. Pawnbrokers are recognized, they are licensed, they are supposedly regulated. But I think if you'll search your memory, even some of you who are quite a bit older than I am, you'll find no place in your recollection where a pawnbroker was named "Businessman of the Year". As a matter of fact, they're somewhat of an embarrassment. I don't think a pawnbroker, in fact I know a pawnbroker has ever been named "King of Ak-Sar-Ben". So this kind of shows you the status that these people occupy, even in the business world where certain practices that lay people consider shady, are considered good sharp business practice.

So remember what the bill will do. It will say that the person who pawns The pawnbroker must have a color photograph of that person to attach to all this other stuff, the name, address and so forth, then you can see who actually pawned this particular item, instead of having a fictitious Abraham Lincoln.

In addition to that, if you have something stolen, and you can verify that it's yours, and you find it in a pawn shop then you can have your goods returned to you without paying to the pawnbroker what he alleges to have paid to the thief. This makes the pawnbroker beware of who he deals with, and the origin of the goods that he winds up with.